Top S	ecre	t	



HR

STAFF NOTES:

Chinese Affairs

Top Secret

136

25X1

February 3, 1975

CHINESE AFFAIRS

CONTENTS

February 3, 1975

	_
	25X1
The Congress and the Provinces 3	
Ministry Mathematics 5	
Peking Still Wary on Vietnam 8	
Views on Soviet Succession 10	
Always a Bridesmaid	
What's Next for the Military? 14	
	25X1
China Builds More Roads in 1974 19	
CHRONOLOGY	
ANNEX: Mao's PositionAn Assessment	

i	



The	Congress	and	the	Provinces

The pattern of provincial representation at the 4th National People's Congress does not augur well for two embattled first secretaries fighting to retain their posts. All provincial party bosses and military region commanders were present and elected to the congress' presidium with the exception of Wang Chia-tao of Heilungkiang and Hsieh Chen-hua of Shansi.

Reasons for Wang's apparent decline are not hard to find. He is a military man whose past links to Lin Piao and the radicals in the leadership have landed him in hot water before. Suspected of complicity in the Lin plot, Wang was out of sight for nearly two years following that crisis in September 1971, but in June 1973 he was returned to his post as first secretary of Heilungkiang. He came under attack again during the anti-Confucius campaign and turned up in Peking on National Day, suggesting that his case had been reopened. The election of the number-two man in Heilungkiang, fellow military officer Liu Kuang-tao, to the presidium also seems to indicate that Wang has been purged.

Hsieh Chen-hua's most recent troubles began last spring with the attacks on "Three Visits to Taofeng," an opera originally produced in Shansi. Leftists branded the opera a "poisonous weed," apparently because they considered it a veiled attack on Chiang Ching. Wall posters criticizing Hsieh and his alleged support of the opera soon flourished, and by National Day he too was in Peking, presumably answering for his conduct. Hsieh's case probably was not helped by the fact that he, like Wang, is a soldier once suspected of overly close ties with Lin Piao.

February 3, 1975

-3-

The congress offered no clue as to who might fill outstanding provincial vacancies. Three rehabilitated provincial bosses who have been appearing in Peking--all likely candidates for a top provincial job--were given other posts. The number-one spot is open in Liaoning, Anhwei, and Hupeh, and if suspicions about Wang and Hsieh prove correct, there are vacancies in Heilungkiang and Shansi as well.

The moderate tone of the congress--and Chou's report in particular--was undoubtedly well received by the vast majority of provincial cadre. Veteran officials will certainly approve of the stress on stricter discipline, greater economic expertise, and a reduced political role for the military. Many of these officials have been criticized in the past for holding similar views.

Workers, youth, and factory managers may find less to cheer about. The congress did not mention the possibility of higher wages or further reform of the down-to-the-countryside program--two demands that have led to demonstrations in some cities. Factory managers may find Chang Chun-chiao's reference to "unhealthy tendencies" in some enterprises unnerving, but his remarks seem to be aimed more at general bureaucratic abuses than at specific individuals. In any case, there may be some movement on these thorny issues, now that the congress is over.

February 3, 1975

-4-

<u>Ministry</u>	Mathematics

The list of government ministries and commissions that emerged from the National People's Congress shows some additions, some subtractions, some divisions, and some consolidations.

A number of ministries that never publicly resurfaced after the Cultural Revolution were officially dropped, in line with Peking's desire to streamline the government apparatus. Their functions have undoubtedly been taken on by other ministries—the work of the defunct internal affairs ministry, for example, has probably been assumed by the Public Security Ministry.

Some organizations that did re-emerge after the Cultural Revolution were also dropped. Most noteworthy among these were the two commissions dealing with the sensitive areas of science and technology. Work in these areas has certainly not been abandoned. Some of it may now be carried out in other organizations, such as the Chinese Academy of Sciences, and it is possible that a secret unit exists to conduct this sensitive work. There is currently no publicly identified government ministry that even includes the word science in its title, suggesting that the Chinese are especially anxious to keep this area out of the public eye. One Peking news release referred to ministries, commissions, and unspecified scientific research units "under the central government."

Two ministries--culture and education--that were in limbo since the Cultural Revolution were reconstituted at the congress. Until that time, supervision of these areas was in the hands of special "groups" under the State Council. The status of these groups is still in doubt. They may still exist to oversee the work of the two new

February 3, 1975

-5-

ministries, but no mention of the groups has been made since the congress. Culture and education have been particularly vulnerable to leftist influence, and re-establishing the ministries may be an effort to give political moderates a greater say in these areas. The new minister of culture is a leftist, but it is conceivable that some of the vice ministers—none has yet been identified—may be moderates.

The new minister of education has held a number of important positions in the government and has experience in the field of education. He is clearly a moderate, and his appointment reflects the dissatisfaction of moderates in the leadership with the leftist-inspired controversy over educational standards that erupted in the summer of 1973. This controversy has continued, in more muted tones, ever since. Significantly, the new education minister was the first of the new ministers to appear publicly with Chou En-lai, thus signaling Chou's approval of the new appointee and his endorsement of a moderate line on education that emphasizes academic rather than political achievement. The Ministry of Education, which was in charge of only primary and secondary education before the Cultural Revolution, has apparently absorbed the functions of the former ministry of higher education, which used to handle university and post-graduate work.

Two ministries that existed before the Cultural Revolution but were merged with other ministries afterwards were set up again as separate entities. Both of these areas—coal and railways—suffered economic disruptions over the past year due in part to political disturbances caused by the anti-Confucius campaign. Workers took advantage of the uncertain political atmosphere to agitate for higher wages by slowing down production and staying away from work. This attitude was especially prevalent in the coal industry. Peking's concern with transportation problems was forcefully demonstrated late

February 3, 1975

--6**-**-

Approved For Rele	ase 2004/08/31 : CIA-RDP79T00865A000300(10001-8

last year when high-ranking provincial officials
made widely publicized visits to the railroads.
Recreating separate coal and railway ministries is
an obvious effort to improve economic performance
in these troubled areas.

25X1

February 3, 1975

-7-

Peking Still Wary on Vietnam

Peking's cautious treatment of developments in Indochina was pointed up last week when its highest level comment on the second anniversary of the Paris cease-fire was an NCNA correspondent's low-key report on the situation in Vietnam. Last year, the anniversary prompted a *People's Daily* editorial specifically commemorating the agreement.

Themes in the NCNA account this year are typical of Chinese commentary on the Vietnam situation over the past year or so. The Paris agreement is characterized as the result of many years of "valiant fighting" and "great victories" on the part of the South Vietnamese people. The report asserts that Hanoi has strictly respected the cease-fire, but that Saigon has repeatedly violated it.

While Hanoi's propaganda assailed with nearly equal violence the alleged US and South Vietnamese cease-fire violations, the Chinese concentrated their attacks on the "Thieu clique." They stopped short, however, of directly calling for Thieu' overthrow before the Paris accords can be implemented—the central theme of recent North Vietnamese propaganda.

In comparison with Hanoi's treatment, Peking's criticism of the US role in Vietnam was limited. The only specific criticism directed against the US accuses the Americans of "illegally" maintaining military personnel in South Vietnam and of supplying military equipment to Saigon.

February 3, 1975

-.8-

25X1

Views on Soviet Succession

25X1

Unlike Soviet diplomats and officials who seem willing to speculate endlessly about the succession possibilities in Peking, the Chinese are reticent—and try to appear uninterested—in Soviet succession politics. Nonetheless, as the state of Brezhnev's health and recent Soviet setbacks in the Middle East and in trade relations with the US have heightened speculation regarding Brezhnev's position, brief comments have come from knowledgeable Chinese on Soviet succession to shed some light on Peking's views.

25X1

Teng Hsiao-ping indicated, in effect, that the Chinese believe succession in Moscow will have little bearing on Soviet policy. Teng contended that personalities in the Soviet leadership are of little account and that there are imperatives common to all Soviet regimes, extending back to tsarist times, that determine Soviet policy. Teng reportedly added that Soviet policy is made by a leadership team rather than by a single individual, and that there are no hawks or doves in Moscow.

Teng's statements accord with the impression of Soviet leaders that Chinese propaganda has long tried to convey—that Moscow's leaders are a homogeneous collective whose "expansionist" policies abroad and "oppression" at home are directly descendant from those of the Russian tsars. More fundamentally, however, Teng's remarks almost certainly reflect a basically pessimistic Chinese view of the prospects of an amelioration of Sino-Soviet tensions that goes far beyond propaganda rhetoric.

The Chinese do occasionally show some interest in the personalities involved in the Soviet succession

February 3, 1975

-10-

25X1

period shortly after Brezhnev succeeded Khrushchev in late 1964 when both sides briefly explored the possibilities of an easier Sino-Soviet relationship. Peking quickly concluded that nothing had changed in Moscow but the man at the top, and this experience is likely to color the Chinese approach to any new exploration of an easing of tensions when and if Brezhnev departs the scene.

25X1

25X1

February 3, 1975

-1.1-

25X1

Always a Bridesmaid

25X1

While Peking's leftists were clearly the losers at the recent National People's Congress, Vice Premier Li Hsien-nien, perhaps Chou En-lai's closest associate on the Politburo, suffered a setback of his own. Although minor compared with the treatment the leftists had to endure, it was undoubtedly disappointing to Li in light of his long and loyal service to Chou.

Li had been waiting in the wings since the Cultural Revolution, when he was virtually the only reliable helping hand Chou En-lai had to keep the machinery of government running during some very tumultuous years. For several years, Li was the only vice premier. Joined a few years ago by some aging and largely symbolic vice premiers, Li was by default the ranking deputy premier and seemed to have a solid claim to the premiership after Chou's death. The emergence last spring of Teng Hsiao-ping as a major government figure in his own right was softened somewhat by what appeared to be a deliberate effort to divide the workload relatively evenly between Li and Teng. Although Teng seemed to have the inside track for eventual succession to the job of premier, Li continued to outrank him in the party.

The second central committee plenum held early in January resolved the issue of party rank in Teng's favor. As a party vice chairman, he clearly outranks Li. The People's Congress settled the vice premier issue, with Teng designated as ranking deputy. These moves probably came as no surprise to Li, especially in light of Mao's own comments that Teng would be Chou's successor as premier. The major disappointment in Li's

February 3, 1975

-12-

case was undoubtedly his designation as third, rather than second, deputy premier. Among the vice premiers, Li is now outranked not only by Teng but by Chang Chun-chiao.

Chang, in his early 60s and therefore relatively young as Chinese leaders go, is several years younger than either Teng or Li. Chang's appointment as second deputy premier was probably motivated by longer range succession plans. Teng and Li are at best interim successors, but the increasingly powerful Chang seems likely to be an important figure for many years to come.

At the congress, Li also lost the finance portfolio. He was the minister of finance before the Cultural Revolution and apparently continued to function in that capacity as late as 1970. Although Li was last publicly identified in that position in 1966, no new finance minister was named until last month. Li is still the government's most experienced economic specialist and will certainly continue to play a major role in the formulation and implementation of economic policy. That he did not fare better in the succession sweepstakes seems due in part to his age and in larger part to his lack of demonstrated political clout of his own.

25X1

February 3, 1975

-T3-

What	's	Next	for	the	Military?

Recent personnel appointments and constitutional revisions have clearly reflected a significant reduction in the political power of the military. The top military and government jobs are now controlled by the coalition of moderate forces championed by Premier Chou En-lai. The moderates have the upper hand in Peking and they appear to be committed to further strengthening party authority over the armed forces. Chou and his aging allies, however, will have to remain in good health to maintain the current momentum.

25X1

The chairman of the Chinese Communist Party now commands the army, which specifically includes the militia. Under the previous government constitution, command was in the hands of the state chairman, a post that has been abolished. The National People's Congress also approved a government leadership slate dominated by civilians, and bounced three ministers that had been military men.

Mao has been a strong supporter of efforts to undercut the military and almost certainly remains so. His decision to absent himself from Peking last summer, in fact, appears to have been heavily influenced by his feeling that the moderates were not

February 3, 1975

-14-

being tough enough on the military. He was probably particularly upset by the central directive issued in early July 1974, which re-oriented the campaign to criticize Lin and Confucius from struggle against individuals--primarily military leaders-toward economic goals together with study and criticism on a theoretical level.

The moderates had a number of valid reasons for winding down the campaign, and in effect saving the necks of a number of military men who had become its major targets. Economic production and social order had been adversely affected, and the age and uncertain health of key moderate leaders such as Chou made it imperative to press ahead with efforts to hammer out a new government structure and leadership line-up. Now, a new government hierarchy and constitution have been ratified, and efforts are under way to shore up the economy and increase law and order. A resumption of pressure on the military--especially in light of Mao's apparent position on the issue--is entirely possible.

The task, if taken up, will not be easy. Factionalism remains serious in several provinces, and control over the troops in the field still counts. Provincial military men have, in some cases, been able to deflect or mitigate much of the effect of earlier efforts to circumscribe their political authority. Their positions have been steadily weakened, however, and they certainly are on the defensive. With nearly all known posts at the center filled, and the government structure put back in order, those elements at the center most intent on bringing the military into line can focus their attention more directly on problems in the provinces.

The thrust of domestic propaganda and the pattern of personnel appointments provide some clues as to how these elements might go about downgrading the military. Domestic media are stressing the

February 3, 1975

-15-

need to strengthen civilian party authority, a theme that has been repeatedly echoed in the provinces. It is quite possible that more civilian veterans will be named to vacant provincial party posts or as replacements for military men. The propaganda will also tend to embolden local party committees in their dealings with their counterpart military

party committees.

25X1 25X1

Having said all this, it is by no means certain that a number of military men will be purged. A showdown between the dominant forces in Peking and the military could occur, but Chinese military men can presumably calculate the balance of political power and the direction of policy at least as well as Western China-watchers, so that soldiers in political positions may be inclined to compromise. Thus, if firm pressure is brought to bear on soldier-politicians, they might give up their party and

government posts, particularly in the provinces, in order to retain their military responsibilities.

25X1

February 3, 1975

-16-



China Builds More Roads in 1974

25X1

Peking has announced that it completed nine trunk highways plus 10,000 kilometers of simple roads last year. Highways totaling more than 13,000 kilometers—still less than 2 percent of the total road network—were surfaced with asphalt or residual oil during the year. Peking claims that this new road construction permitted the volume of freight and passenger traffic to exceed that of 1973.

About 30,000 kilometers of roads have been added annually to the Chinese network--which now exceeds 725,000 kilometers--since 1970. Three fourths of the network consists of simple roads of dirt or gravel linking communes and production brigades to markets and sources of industrial goods.

25X1

February 3, 1975

-19-

CHRONOLOGY

25X1

January 1975	Amadou Mahtar M'bow, Director-Gen- eral of UNESCO, arrives in China.	25X1
13-17	Fourth National People's Congress held in Peking. Announced on January 18.	**************************************
14	Private Japanese fisheries delegation arrives in Peking to discuss problems regarding proposed official Sino-Japanese fisheries agreement.	25X1
17	Chinese delegation in Vientiane signs agreements implementing October 1974 Sino-Lao aid pact.	25X1
18	China and Sweden sign agreement on maritime transportation.	25X1
21	LDP senior diet member Shigeru Hori returns to Japan after seven-day visit to Peking where he met with Premier Chou En-lai, among other top-level Chinese officials.	25X1
22-29	Japanese government petroleum delegation visits Peking to discuss future oil imports.	25X1
		25X1
24	Chinese trade delegation led by Min- ister of Foreign Trade Li Chiang ar- rives in Pakistan; on January 30 ar- rives in Sri Lanka	25X1
	February 3, 1975	
	-20-	

Approved For Release 2004/08/31 : CIA-RDP79T00865A000300010001-8

January 24	PRC-owned Takung Pao newspaper in Hong Kong carries report that Wash-ington plans to withdraw additional troops and aircraft from Taiwan this summer.	25X1
25	China and East Germany sign 1975 trade agreement in Peking; ceremony attended by Chinese vice foreign trade minister.	25X1
27	NCNA carries full text of letter from President Ford congratulating Chou En-lai on his appointment as premier by the 4th NPC.	25X1
28	Chinese economic delegation headed by Vice-minister of Communications Tao Chi arrives in Nepal.	25X1
·	US grain dealer announces that Peking has cancelled contracts for 600,000 tons of US wheat scheduled for shipment during 1975.	25X1 25X6
29	PRC Ambassador to Malaysia Wang Yu-ping presents credentials to king in Kuala Lumpur.	25X1
·	Foreign Ministry spokesman reveals that Teng Hsiao-ping is PLA Chief of Staff and Chang Chun-chiao is head of the General Political Department of the PLA.	
30	Gambian Foreign Minister Njie arrives in China.	25X1
31	President Williams of Trinidad and Tobago arrives in Peking.	25X1
•	February 3, 1975	
	-21-	25X1

Approved For Release 2004/08/31 : CIA-RDP79T00865A000300010001-8

25X1

ANNEX: Mao's Position--An Assessment

25X1

25X1

25X1

25X1.

25X1

In a letter to his wife, which was required reading during the anti-Confucius campaign, Mao Tse-tung remarks that his is a compound personality, accommodating both the bold and aggressive spirit of the tiger and the sly and adaptable spirit of the monkey. Right now, the spirit of the monkey predominates.

Mao has not been "placed on the shelf like an old Buddha," as he described his situation in the early 1960s, but he has only a limited time to achieve his current political aims.

The absence of Mao Tse-tung at the recently concluded National People's Congress in Peking has struck nearly all observers, Chinese and foreign. This gesture may ultimately turn out to have political implications as important as any development at the congress itself.

Some observers attribute Mao's absence to health problems; others note that he was involved in preliminary planning for the meeting and say he was not strictly speaking required to attend a governmental function; still others suggest that Mao had been angered by the short shrift given to policies and personalities identified with the extreme left.

There are serious problems with these interpretations. There is no evidence that the Chairman is especially troubled by health problems. He has been seeing a stream of foreign visitors in recent weeks

and	months,			1	n
					S
					b t
					t h
			Г		d
			L		u
					5
					,

The published material connected with the congress does not depict a Mao who is merely an impotent figurehead, although it is not inconsistent with such an interpretation—or with the portrait of a politically active chairman.

None of this means that Mao could easily afford to absent himself from the people's congress. The symbolic nature of the act has not been lost on the average Chinese, on Chinese officials, who already are busy trying to explain it away, on the Chairman himself, or on other major Chinese leaders.

Even if Mao in theory did not need to attend the congress, he was, as chairman of the party, required to attend the Central Committee plenum that preceded it.

He did not simply miss these two important meetings; he has been out of Peking for nearly seven months. This prolonged absence is itself a political act and makes it very difficult not to conclude that strains have developed between Mao and some of the other Chinese leaders.

Chinese policy has generally been made by consensus, with the Chairman the most important—but by no means the only—element in its formation. Official Chinese party history indicates that he has not always had his way; when this has happened, he has sometimes chosen to precipitate a major showdown and sometimes chosen to retreat for the moment.

His recent stay in the provinces suggests that he has been attempting to build a new consensus. His absence from the recent meetings in Peking indicates that on at least one issue of importance to him he has failed and has consequently disassociated himself from the "majority" decision.

What was the issue that caused Mao to sulk in his tent? It is likely to have been whether it was advisable—or possible—to

purge important military figures with whom Mao has been at odds for several years.

The evidence does not suggest the Chairman has been arguing for the appointment to important positions of individuals closely associated with the extreme left in Chinese politics or for greater radical experimentation in Chinese policy.

He was deeply involved in the return of Teng Hsiao-ping, a bete noire of the extreme radicals, a year ago; Teng, in fact, was elevated to the Politburo at the personal nomination of the Chairman, who remarked at the time that Teng would make "a good chief of staff."

Mao was evidently also involved in the rehabilitation of other victims of the cultural revolution, a process that continued without significant pause through 1974. If these rehabilitations, pleasing to the pragmatists and displeasing to the extreme left, were made over Mao's objections, it is hard to see why he waited until the summer of 1974 to disassociate himself by moving to the provinces.

The propaganda associated with the anti-Confucius campaign does not seem to link Mao with a new turn to the "left." Its main line, couched in historical analogy, has consistently been that China must modernize, that centralization and discipline are essential to this task, that foreign expertise is an important adjunct to this process, and that the process itself is made doubly important by a threat from China's northern neighbor, a threat which can be partly balanced by a program of "making friends with distant states."

These programs are attributed to a far-seeing Prime Minister, who had the full backing of the "Emperor"—i.e., Mao himself. The two are said to have been opposed by "Confucians" concerned with

February 3, 1975

-A1		

abstract and empty rites and by "feudal princes."

It is hard to escape the conclusion that these oppositionists are "leftist" ideologues and provincial military commanders, respectively. In fact, the shape and ultimate outcome of the National People's Congress was foreshadowed by propaganda as early as the autumn of 1973.

There are indications that a number of authoritative articles connected with the anti-Confucius campaign were written or immediately inspired by Mao himself. In any case, no counter-argument surfaced to claim that the "Emperor" did not really support the Prime Minister.

Even last winter and spring when scattered leftist counter-attacks against conservative policies and perhaps against Chou personally were appearing, leftist broadsides frequently seemed to be saying that Mao should support the position of the ideologues—the clear implication being that he did not.

All this almost certainly does not mean that Mao has abandoned the ideas he pushed in the 1960s. Rather, his priorities seem to have shifted. For one thing, his obsession with the Soviet threat has grown over the years, and he seems to believe that China must modernize and expand its economy more rapidly if it is to face the long-term challenge from the north successfully.

Mao appears to see two main obstacles to success:

- Ideological carping over the programs necessary for modernization threaten the programs themselves and give rise to differences among Chinese leaders that can in time be exploited by Moscow
- The political power acquired by regional and provincial military figures during the cultural revolution could threaten centralized direction of the



Mao receives Maltese Prime Minister Mintoff on January 9

program; the Lin Piao affair of 1971 highlighted the danger of indiscipline within the armed forces and raised the spectre of a military coup against the central civilian authorities.

Of the two problems, that posed by the military almost certainly presents the greater danger in Mao's eyes. Anti-Confucius propaganda fulminated with particular harshness against regional and provincial military commanders. These soldiers were said to want either less acrimony in China's relations with Moscow or a greater share of the budget and a more rapid development of China's advanced weapons program.

The first of these alternatives would undermine the rationale of China's foreign policy; the second would distort the effort to modernize the Chinese economy. The argument on these fundamental issues was dangerously complicated by the fact the military controlled guns and troops.

It was against this background that Mao suddenly departed for the provinces last summer. A number or other events coincided with his departure.

- Chou En-lai was compelled to enter the hospital, clearly quite ill.
- The anti-Confucius campaign began to run out of steam, and a new propaganda line emphasizing the need

February 3, 1975

-A2-

for unity within the party was introduced.

• The first slight cracks appeared in the picture of a united "Emperor" and Prime Minister: the merits of the Prime Minister were still stressed, but it was noted that he was too willing to compromise with his opponents.

These opponents were almost certainly military men, since the "unity" theme did nothing to improve the weakened position of the extreme left. At the same time, the budgetary and strategic arguments against the soldiers were spelled out in greater detail, and the invective against them increased in harshness.

It is entirely possible that Chou's hospitalization created a new political situation in Peking. With Chou unable to supervise the myriad details of a volatile and politically charged campaign, many of the Premier's supporters and perhaps Chou himself may well have concluded that a frontal assault against the entrenched military was simply too dangerous. They could not afford a repetition of the Lin affair.

Such a conclusion would not necessarily mean that the military's budgetary and strategic arguments were to be accepted or that the military's role in politics was not to be curbed; it would mean that the effort to circumscribe powerful military figures would stop short of drastic personal action against them.

25X1

There were some signs that the military felt themselves to be in a stronger position in the autumn of 1974. Several important regional military commanders who had been under heavy attack in the spring and had long been out of sight reappeared in early autumn. Rumors that the military were making a comeback swept China in the late autumn.

One story, which gained wide currency, claimed that Mao had called a meeting in

Wuhan of the 13 regional military commanders and that all but two managed to stay away. If not exact in detail, the story probably contains more than a grain of truth.

It seems to have been shortly after this rumored affront that Mao issued his dictum that eight years of cultural revolution were enough and that army and party must unite.

This pronouncement may well have been a tactical retreat on the Chairman's part, for signs continued to crop up that he himself was not ready to "unite" with the military. The November issue of *Red Flag* carried another of the authoritative articles associated with the Chairman, making a case against the military commanders in especially vehement terms.

It spoke of "feudal princes" and a "dowager empress" who collaborated with them—an apparent reference to Chiang Ching, the Chairman's leftist wife—and called them traitors for their willingness to give up claims to territory along China's northern border. The charge of traitor strongly suggested that a case for a purge was being made. The Prime Minister was once again accused of weakness and willingness to compromise.

A response to this tirade appeared in the Hong Kong communist newspaper Ta

Kung Pao

The response praised a far-sighted Prime Minister, loyal to the "Emperor," not only for his ability to "control the empress' family" but also for his ability to unite opposing factions—specifically, the bureaucrats and the military. It painted the portrait of another, rash "Emperor" who persisted in his plans for battle, despite advice to the contrary from experienced ministers. It went on to note

that the battle proved a disaster for the "Emperor."

Thus, on the eve of the plenum and the congress, the positions were clearly drawn.

- A consensus group, including Chou En-lai, seemed prepared to push forward with the meetings, which would codify the policies of the early 1970s and make relatively conservative personnel appointments, without first risking a frontal assault against entrenched military commanders.
- The Chairman, on the other hand, seemed prepared to run those risks and was apparently demanding a purge of leading military personalities. His deliberate identification with the pragmatic policies of the past four years indicates that he was not pushing for a new turn to the left in the style of the mid-1960s; his quarrel with the Premier appeared to be carefully circumscribed and seemed to rest entirely on the narrow ground that Chou and the consensus group were unwilling to take extreme measures against a potentially disruptive military.

Both the extreme left and the military suffered a considerable defeat at the plenum and congress, but the former may have been hurt more than the latter.

Chou's enunciation of economic priorities—agriculture first, light industry second, heavy industry third—indicates that the military had lost the budgetary battle, but his brief and circumspect treatment of the problem of civilian-military relations strongly suggests that this issue had not been settled to anyone's satisfaction.

In short, the role of the military remains a contentious—perhaps the most contentious—issue in Chinese politics.

If it is, Mao probably still has considerable room for maneuver. He appears

February 3, 1975

-A3-

25X1

to remain concerned that compromise with the military establishment threatens his policy of political confrontation with Moscow, and he may see opportunity for renewed pressure against the soldiers.

The expulsion of several Soviet diplomats from China for espionage activities a year ago raised the possibility that the Soviet "spies" would be linked to high-level figures in the Chinese regime. Despite the turmoil of the anti-Confucius campaign, this shoe was never dropped; nor have the three members of the Soviet

helicopter crew captured last winter ever been brought to public trial.

Relations with Moscow certainly have not been improved as a result of the decisions taken at the congress, but a move on either of these fronts could easily worsen relations. This could be a further bone of contention, perhaps pitting the Chairman against the military establishment.

If, however, the consensus against an all-out assault on the soldiers holds and if Mao continues to press for further action against them, the lines of cleavage within

the Chinese leadership could become much sharper and deeper than they now appear to be, perhaps creating a situation analogous to that in the early and mid-1960s.

In such circumstances the Chairman may simply wait for a political opening he can turn to his advantage. He is, however, 15 years older, and time is surely not on his side. On the other hand, he seems to agree with the consensus group on a wide range of issues, and he apparently hopes to avoid an open split with them.

25X1

February 3, 1975

-A4-

Approved For Release	2004/08/31 -		TOORESAOO	N300010001_£
Approved For Release	2004/08/31:	CIA-RDP/9	UUAGBAUU	/U3UUU 1UUU 1-8

25X1	Top Secret

Top Secret